



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 8, 2008

Mr. Duane Crutchfield, or
Plant Manager
Ash Grove Cement Company
P.O. BOX 51
Nephi, Utah 84648

Re: Escalation of Reclamation Surety to the Year 2013, Ash Grove Cement Company, Nielson Sandstone Mine, M0230012, Tooele County, Utah

Dear Mr. Crutchfield:

The Division has escalated the surety amount of \$1,105,500.00 in 2008 dollars, to the year 2013. The escalation rate is 3.8%, resulting in a surety requirement of \$1,332,126.00. This increased amount is based on escalation only.

In addition to the increased surety, a new reclamation contract is required. Please contact surety coordinator, Mr. Jed Pearson, 801-538-5382, for instructions on how to submit the increase of \$226,626.00 and the new reclamation contract.

This surety amount and reclamation contract is due by August 10, 2008.

In addition, the Division would like to meet with you and determine if the existing Notice of Intention to Conduct Mining Operations (NOI) is adequate and reflects the current operation conditions at the Nielson Sandstone site. Please contact Ms. Leslie Heppler (801) 538-5257 or Ms. Beth Ericksen (801) 538-5318 to arrange the meeting by August 10, 2008.

If you have any questions concerning this letter, please contact either of the above named staff.

Sincerely,

Susan M. White
Mining Coordinator
Minerals Regulatory Program

SMW:BE:pb

Cc: Jed Pearson

Beth Ericksen

Leslie Heppler

BLM Opie Abeyta

Bob Dapler, 8900 Indian Creek Parkway, Suite 600, Overland Park, KS 66210

(annual report 2005, 2006, 2007 not received)

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